



ARIZONA DEPARTMENT OF REVENUE

MEMORANDUM

DATE: March 27, 2007

FROM: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS

January 2007 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>January 2007</u>	Fiscal Year <u>Total</u>
Individual Income Tax		
Net Collections	\$ 501,376,261	\$ 2,012,851,292
Percent Change	17.7%	6.1%
Corporate Income Tax		
Net Collections	\$ 37,266,911	\$ 528,174,277
Percent Change	9.6%	19.6%
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$ 439,996,411	\$ 2,668,311,971
Change	4.7%	8.2%
Total Big Three Tax Types		
Net Collections	\$ 978,639,583	\$5,209,337,540
Percent Change	11.2%	8.4%

TAX FACTS

January 2007

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	January 07	January 06	% Change
Gross Collections	\$ 239,701,160	\$ 182,419,323	31.4
Withholding	\$ 342,915,369	\$ 289,016,657	18.6
Refunds	\$ (35,304,380)	\$ (9,866,032)	257.8
Urban Revenue Sharing	\$ (45,935,888)	\$ (35,435,744)	29.6
Net Collections	\$ 501,376,261	\$ 426,134,204	17.7

	Fiscal Year Total (06/07)	Fiscal Year Total (05/06)	% Change
Gross Collections	\$ 626,545,300	\$ 513,689,739	22.0
Withholding	\$ 1,907,565,901	\$ 1,740,816,433	9.6
Refunds*	\$ (199,708,691)	\$ (108,456,737)	84.1
Urban Revenue Sharing	\$ (321,551,218)	\$ (248,050,207)	29.6
Net Collections	\$ 2,012,851,292	\$ 1,897,999,228	6.1

*Refunds issued as a result of the Ladewig and FERC cases are not included in the total refunds listed in the "Individual Income Tax Receipts" section above nor the "Average Individual Income Tax Refund" section later mentioned in this publication. Ladewig refunds were finalized as of July 2006.

Included in the refund amounts above are refunds relating to the alternative fuel vehicle (AFV) income tax credit. In January 2007, the department did not issue any individual or corporate income tax refunds for alternative fuel-related credits.

Federal Employee Retirement Contribution Project (FERC)

Kerr vs. ADOR or FERC, a Supreme Court tax settlement case has resulted in the distribution of 1,929 refunds to individual income taxpayers during January 2007. These refunds totaled \$1,554,719* for an average of \$806. Attorney payments are not included in the refund amount and total \$388,680 for the month. Refunds issued as a result of the FERC case are not included in the total refunds listed in neither the "Individual Income Tax Receipts" section above nor the "Average Individual Income Tax Refund" section later mentioned in this publication.

*The amount shown as refunded may differ from AFIS totals due to timing issues.

Individual Income Tax Document Count

In calendar year 2006, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	50,299	1,666,899	120,181	130,505	0	46,956	396,130	12,156	177,185	3,480	14	2,603,805
%	1.9%	64.0%	4.6%	5.0%	0.0%	1.8%	15.2%	0.5%	6.8%	0.1%	0.0%	

In calendar year 2007 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	1,389	64,947	1,821	2,331	0	310	46,240	366	9,741	212	0	127,357
%	1.1%	51.0%	1.4%	1.8%	0.0%	0.2%	36.3%	0.3%	7.6%	0.2%	0.0%	100%

The 127,357 returns representing current and prior tax years, filed through January 2007 compares to 67,091 returns filed during the same period of time in 2006 for an annual increase of 89.8%. For the tax year 2006 filed in 2007, 117,884 returns have been filed, a 95.0% increase over filings through January 2006 for tax year 2005.

Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made by using data from taxpayers who have filed for both calendar years and have maintained the same filing status for both years. The Department of Revenue has received 124,059 returns in calendar year 2007 for tax year 2006 from filers who also have returns on record from calendar year 2006 with the same marital status. On average, these filers experienced a 7.1% increase in FAGI and a 1.6% increase in tax liability. More specifically, 34.3% of these filers experienced a decrease in tax liability; on average a decrease of 10.1% in FAGI with a corresponding average decrease in tax liability of 29.3%. Filers with an increase in tax liability totaled 55,643 or 44.9%, with an average FAGI increase of 23.9% and an average tax liability increase of 37.4%.

Average Individual Income Tax Refund

Net of Ladewig and FERC refunds.

	Average	Number
2007 CYTD	\$ 396.56	62,986
2006 CYTD	\$ 378.47	44,662
% Change	4.8	41.0

"New" Filers in Calendar Year 2006

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2007. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 40,365 "new" returns have been filed thus far in 2007, representing approximately 46,572 persons, not including dependents. The average Federal Adjusted Gross Income is \$17,044 with an average tax liability of \$156. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 13.2% had a married filing joint filing status, 1.5% claimed a 65 and Over Exemption and 64.5% claimed dependents.

Individual Income Tax Estimated Payments

Taxpayers are required to make estimated payments if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. Total estimated payments paid with form 140ES for tax year 2005 was \$584.7 million, for an average of \$2,709. An additional \$95.9 million in estimated payments came from 2004 tax returns that applied their refunds as a 2005 estimated payment, for an average of \$2,238. Estimated payments received through January 2007 for tax year 2006 are as follows:

01/07	140ES payment	\$	208,102,994	Cumulative \$	619,180,760
01/06	140ES payment	\$	248,466,280	Cumulative \$	563,770,866
	% change		(16.2)		9.8
01/07	Average payment	\$	6,342	Cumulative \$	2,910
01/06	Average payment	\$	5,234	Cumulative \$	2,670
	% change		21.2		9.0
01/07	Applied refund	\$	821,383	Cumulative \$	132,658,773
01/06	Applied refund	\$	797,240	Cumulative \$	93,262,689
	% change		3.0		42.2
Total 01/07		\$	208,924,376	Cumulative \$	751,839,532
Total 01/06		\$	249,263,520	Cumulative \$	657,033,555
	% change		(16.2)		14.4

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from July 2005 through September 2006, \$711.1 million was received for the third quarter of 2005. The latest complete quarter (15 months of information has been compiled) is the fourth quarter of 2005, which shows an increase of 18.1% in withholding payments over the fourth quarter of 2004. Growth in quarters for which information is still being gathered is as follows:

1 st Quarter 2006	38.7%	3 rd Quarter 2006	4.8%
2 nd Quarter 2006	23.9%	4 th Quarter 2006	10.9%
		1 st Quarter 2007	(41.5%)

As of January 1, 2005, the current choices for withholding are 0%, 10%, 19%, 23%, 25%, 31% or 37% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

Property Tax Credits

Arizona allows a refundable property tax credit for those who are age 65 or older or who received Title 16, SSI payments and pay property tax on a home. To qualify for this credit, household income must be below \$3,751 for individuals that live alone, or \$5,501 for those that live with others. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2007	279	\$ 122,187	\$ 438
Calendar Year 2006	781	\$ 320,206	\$ 410
% Change	(64.3)	(61.8)	6.8%

Clean Elections

As a result of the December 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for returns filed in 2007.

	January 2007	Calendar Year Total
Check Off	\$202,760	\$202,760
Voluntary Donation	\$ 787	\$ 787
Number of Returns	32,994	32,994

Contributions on the Individual Income Tax Return

Through January 2007, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	208	\$ 3,024	\$ 14.54
Child Abuse	247	\$ 4,461	\$ 18.06
Special Olympics	97	\$ 1,073	\$ 11.06
Neighbors Helping	50	\$ 445	\$ 8.90
AID to Education	8	\$ 744	\$ 93.00
Domestic Violence Shelter	146	\$ 2,079	\$ 14.24
Democratic Party	18	\$ 234	\$ 13.00
Republican Party	14	\$ 164	\$ 11.71
Libertarian Party	3	\$ 57	\$ 19.00

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	Jan 2007	Jan 2006	% Change
Gross Collections	\$40,561,661	\$40,013,321	1.4
Refunds	(\$3,294,750)	(\$6,007,037)	(45.2)
Net Collections	\$37,266,911	\$34,006,284	9.6

	Fiscal Year Total	Prior Fiscal Year Total	% Change
Gross Collections	\$589,660,880	\$488,556,322	20.7
Refunds	(\$61,486,603)	(\$47,046,387)	30.7
Net Collections	\$528,174,277	\$441,509,935	19.6

Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

PLEASE NOTE THAT THE DEPARTMENT OF REVENUE CHANGED PROCESSING SYSTEMS FOR CORPORATE TAX IN AUGUST 2006. AS WITH THE CHANGEOVER OF ANY SYSTEM, THERE WILL BE VARIATIONS IN DATA. THE PERCENTAGE CHANGES SHOWN IN THE FIRST YEAR OF THE NEW SYSTEM SHOULD BE INTERPRETED CAUTIOUSLY.

Jan 2007	\$31,360,957	Calendar Year Total	\$31,360,957
Jan 2006	\$25,142,202	Calendar Year Total	\$25,142,202
% Change	24.7%	% Change	24.7%

All corporations with an income tax liability of \$20,000 or greater are required to make estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment.

Size of Payment →	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,000 and more	Total	% chg
Jan 2007	174	13	31	1	6	0	225	20.3
Jan 2006	137	21	21	5	3	0	187	
CY 2007	174	13	31	1	6	0	225	20.3
CY 2006	137	21	21	5	3	0	187	

The next table shows the dollars of eft estimated payments received from those counts above.

Size of Payment →	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 and more	Total	% chg
Jan 2007	\$2,058,345	\$836,113	\$7,360,017	\$750,000	\$12,832,018	\$23,836,493	5.4%
Jan 2006	\$1,792,672	\$1,521,152	\$4,680,000	\$4,017,000	\$10,601,905	\$22,612,729	
CY 2007	\$2,058,345	\$836,113	\$7,360,017	\$750,000	\$12,832,018	\$23,836,493	5.4%
CY 2006	\$1,792,672	\$1,521,152	\$4,680,000	\$4,017,000	\$10,601,905	\$22,612,729	

Corporate Refunds:

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 05/06 by corporate fiscal year. For example, in FY 05/06, 20.8% of the refund dollars paid were for corporate fiscal years ending in 2001 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	01 & Prior	02	03	04	05	06
FY 05/06	20.8%	3.4%	4.2%	56.4%	13.4%	1.8%
Corporate Fiscal Year-End:	02 & Prior	03	04	05	06	07
FY 06/07	2.9%	1.4%	0.6%	78.6%	16.5%	0.0%

NO DATA IS AVAILABLE ON REFUNDS APPLIED AS ESTIMATED PAYMENTS.

Corporate Income Tax Document Count

The Arizona Department of Revenue received 125,212 corporate returns showing a fiscal year-end of 2005. The type of return received is indicated below:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	190	39,637	72,116	454	12,815
%	0.1	31.7	57.6	0.4	10.2

Through January 2007, 2,280 documents were received for a fiscal year-end of 2006, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	5	1,590	271	6	408
%	0.2	69.7	11.9	0.3	17.9

The figures for the 2006 returns are most meaningful when compared to 2005 returns received during the same period of time in the previous year. Through January 2006, the Department of Revenue received 8,926 documents with a fiscal year-end of 2005. Compared to 2006 documents, the Department has seen a 74.5% decrease in the number of corporate returns processed at this point of time in the calendar year.

Urban Revenue Sharing Returned to Cities/Towns

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed during Fiscal Year 2006/07 is 15.0% of net proceeds from Fiscal Year 2004/05 income tax. Amounts returned for January 2007 are shown on Table 2, at the end of this report.

TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

Transaction Privilege, Severance and Use Tax Receipts

The Arizona transaction privilege and severance tax consists of many classifications of tax. These classifications include but are not limited to retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

At the close of each month, transaction privilege and severance tax collections are aggregated by category and total distribution base and non-shared portions are calculated. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. Education tax is in accordance with Proposition 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	January 2007	January 2006	% change
Distribution Base	\$181,018,140	\$174,156,141	3.9
Non shared	345,663,756	328,898,875	5.1
Use Tax	31,899,499	31,316,999	1.9
Education Tax	65,587,749	62,357,078	5.2
Other Revenues	81,223,844	71,418,706	13.7
Total Collections	\$705,392,987	\$668,147,799	5.6

	Fiscal Year Total (06/07)	Fiscal Year Total (05/06)	% change
Distribution Base	\$1,074,877,296	\$998,405,123	7.7
Non shared	2,103,606,466	1,935,194,654	8.7
Use Tax	193,980,326	186,796,935	3.8
Education Tax	393,791,524	365,625,106	7.7
Other Revenues	484,656,861	417,617,138	16.1
Total Collections	\$4,250,912,472	\$3,903,638,956	8.9

Distribution of Transaction Privilege, Severance and Use Tax Receipts

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained by State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The education tax is distributed in accordance with Proposition 301. "Other" revenues are returned to the administering authority.

	January 2007	January 2006	% change
Retained by State	\$439,996,411	\$420,282,327	4.7
Returned to Counties	73,330,448	70,550,653	3.9
Returned to Cities	45,254,535	43,539,035	3.9
Education Tax	65,587,749	62,357,078	5.2
Other Revenues	81,223,844	71,418,706	13.7
Total Collections	\$705,392,987	\$668,147,799	5.6

	Fiscal Year Total (06/07)	Fiscal Year Total (05/06)	% change
Retained by State	\$2,668,311,971	\$2,466,341,516	8.2
Returned to Counties	435,432,793	404,453,915	7.7
Returned to Cities	268,719,324	249,601,281	7.7
Education Tax	393,791,524	365,625,106	7.7
Other Revenues	484,656,861	417,617,138	16.1
Total Collections	\$4,250,912,472	\$3,903,638,956	8.9

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	January 2007	% Chg	Fiscal Year Total	% Chg
Transporting	5.6	\$217,601	(0.3)	\$2,198,019	26.5
Non-Metal Mining Oil/Gas	3.125%	560,861	(54.1)	4,786,026	(31.9)
Utilities	5.6%	31,683,715	0.8	268,282,304	10.4
Communications	5.6%	14,742,302	13.4	102,358,593	12.5
Private Car/Pipelines	5.6%	57,414	71.5	518,254	(43.7)
Publishing	5.6%	490,498	(15.6)	3,858,645	(7.2)
Job Printing	5.6%	1,622,231	(3.5)	11,789,947	4.2
Restaurants & Bars	5.6%	41,940,846	8.5	268,266,667	9.4
Amusements	5.6%	3,870,878	(0.1)	27,011,288	8.3
Commercial Lease	0%	6	(11.9)	29	N/A
Rental of Personal Property	5.6%	16,751,211	12.6	110,670,929	8.4
Contracting	3.75% - 5.6%	110,275,322	14.3	677,345,585	16.7
Retail	5.6%	291,600,705	1.0	1,605,760,599	4.0
Mining Severance	2.5%	3,389,288	31.7	28,042,087	85.8
Timber Severance*	0%	201	(96.6)	13,880	(3.1)
Hotel/Motel	5.5%	9,124,525	4.9	63,582,200	7.2
Membership Camping*	0%	(661)	N/A	566	(99.3)
Use Tax	5.6%	31,899,499	1.9	194,648,988	4.2
Rental Occupancy Tax*	0%	(22,425)	N/A	55,000	(29.5)
Jet Fuel		222,600	(50.4)	2,779,430	(14.3)
Jet Fuel Use Tax	\$.0305/\$.0105 gal	43,449	284.5	333,501	126.3
Telecomm	----	561,867	85.8	3,844,234	91.0
911 Wireline	\$0.28/month per active service	969,042	(14.9)	7,069,921	(11.8)
911 Wireless	\$0.28/month per active service	637,391	(50.9)	6,218,551	(15.7)
Total		\$560,638,366	4.4	\$3,389,435,243	8.0

*As of 11/1/06, these categories are no longer subject to county and state tax.

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the department.

Transaction Privilege and Severance Tax Taxable Sales By Class¹

	January 2007	% Chg	Fiscal Year Total	% Chg
Transporting	\$4,376,375	0.0	\$44,694,882	28.2
Non-Metal Mining Oil/Gas	17,958,858	(54.2)	153,313,599	(32.1)
Utilities	633,998,504	0.6	5,370,032,311	10.1
Communications	295,029,451	13.2	2,049,526,875	12.3
Private Car/Pipelines	1,149,349	71.1	10,377,926	(43.8)
Publishing	9,816,514	(15.7)	77,259,389	(7.4)
Job Printing	32,466,919	(3.6)	236,089,917	4.0
Restaurants & Bars	839,336,431	8.4	5,372,287,151	9.2
Amusements	77,484,499	(0.2)	541,149,474	8.1
Commercial Lease	215	(3.6)	2,211	N/A
Rental of Personal Property	335,239,427	12.5	2,216,312,060	8.3
Contracting	2,206,634,881	13.4	13,562,291,834	15.9
Retail	5,834,937,480	0.9	32,154,100,388	3.9

¹These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

Transaction Privilege and Severance Tax Taxable Sales By Class continued

	January 2007	% Chg	Fiscal Year Total	% Chg
Mining Severance	\$ 135,661,856	31.5	\$ 1,122,644,908	85.5
Timber Severance*	98	(97.3)	6,876	(8.6)
Hotel/Motel	166,057,896	4.7	1,158,259,637	7.1
Membership Camping*	(13,770)	N/A	12,275	(99.2)
Use Tax	638,462,773	1.6	3,900,742,543	3.9
Rental Occupancy Tax*	(751,069)	N/A	1,846,485	(29.2)
Total	\$11,227,846,689	4.4	\$67,970,950,741	8.1

*As of 11/1/06, these categories are no longer subject to county and state tax.

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table are not elements of calculated taxable income and therefore, are not included in the above table. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

Transaction Privilege and Severance Tax Returned to Counties

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for January 2007 is shown in the County Share column.

	County Share	% of Total	FYTD County Share	% Change
Apache	\$ 477,983	0.7	\$ 2,940,152	(3.8)
Coconino	\$ 1,643,645	2.2	\$ 10,784,922	7.2
Cochise	\$ 1,254,621	1.7	\$ 7,368,663	4.3
Gila	\$ 508,017	0.7	\$ 3,183,791	2.1
Graham	\$ 336,868	0.5	\$ 1,959,199	5.9
Greenlee	\$ 469,749	0.6	\$ 3,122,653	59.5
La Paz	\$ 187,930	0.3	\$ 1,129,137	(3.0)
Maricopa	\$ 47,254,520	64.4	\$ 279,152,718	7.4
Mohave	\$ 2,110,926	2.9	\$ 12,796,177	10.2
Navajo	\$ 1,031,846	1.4	\$ 6,483,371	2.3
Pima	\$ 10,574,717	14.4	\$ 62,023,973	5.4
Pinal	\$ 2,454,300	3.3	\$ 14,791,568	24.6
Santa Cruz	\$ 535,440	0.7	\$ 2,886,128	8.7
Yavapai	\$ 2,560,682	3.5	\$ 15,739,716	8.5
Yuma	\$ 1,929,206	2.6	\$ 11,070,624	6.7
Total	\$ 73,330,448		\$ 435,432,793	7.7

Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for January 2007 is shown on Table 3, attached to this report.

County Tax Collections

The following county-imposed tax collections were received by the Department of Revenue during January 2007 and returned to the counties. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge in Pima County is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax/Health Svcs Dist	Capitol Projects	Tourism Authority
Apache		\$ 85,103							
Cochise		\$ 757,726							
Coconino		\$ 1,026,710	\$ 615,951					\$ 256,675	
Gila	\$ 325,309	\$ 309,316							
Graham		\$ 200,440							
Greenlee		\$ 126,903							
La Paz		\$ 101,272	\$ 101,271				\$ 5		
Maricopa	\$ 39,216,239		\$ 14,273,701	\$ 444,597	\$ 88				\$ 1,570,777
Mohave		\$ 689,834							
Navajo		\$ 590,699							
Pima	\$ 7,241,914			\$ 123,216		\$ 26,387			
Pinal	\$ 1,905,428	\$ 1,874,191						\$ (3)	
S Cruz		\$ 407,486	\$ 403,507						
Yavapai		\$ 1,539,882	\$ 770,058						
Yuma		\$ 1,217,856	\$ 1,217,858				\$ 242,100	\$ 1,216,686	

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in January 2007. The table compares the receipts to January 2006 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	January 2007	January 2006	%
Spirituous	\$ 2,930,607	\$ 2,773,410	5.7
Vinous	\$ 1,100,909	\$ 1,352,438	(18.6)
Malt	\$ 1,887,965	\$ 2,739,998	(31.1)
Cigarette	\$ 14,165,556	\$ 22,709,650	(37.6)
Other Tobacco	\$ 1,110,145	\$ 778,316	42.6
Tobacco Licenses	\$ 425	\$ 575	(26.1)
Total	\$ 21,195,607	\$ 30,354,387	(30.2)

	Fiscal Year (06/07)	Fiscal Year (05/06)	%
Spirituous	\$ 15,990,032	\$ 14,111,115	13.3
Vinous	\$ 6,980,667	\$ 6,444,081	8.3
Malt	\$ 14,343,068	\$ 13,602,435	5.4
Cigarette*	\$ 197,997,165	\$ 166,785,985	18.7
Other Tobacco	\$ 5,948,323	\$ 5,396,757	10.2
Tobacco Licenses	\$ 4,275	\$ 3,350	27.6
Total	\$ 241,263,529	\$ 206,343,723	16.9

*Through January 2007, \$495,835 of cigarette and tobacco tax collections has been allocated for administrative expenses and is not included in the cigarette collections above.

General Fund revenues from luxury taxes:

	January 2007	FY06/07
Spirituos	\$ 2,051,425	\$ 11,193,022
Vinous	\$ 274,055	\$ 1,739,921
Malt	\$ 471,991	\$ 3,585,766
Cigarettes	\$ 1,438,837	\$ 24,988,673
Other Tobacco	\$ 83,261	\$ 569,240
Tobacco Licenses	\$ 425	\$ 4,275
	\$ 4,319,994	\$ 42,080,898

Other dedicated revenues from luxury taxes:

	January 2007	FY06/07
Corrections Fund	\$ 2,341,330	\$ 17,542,205
Tobacco Tax & Health Care Fund ²	\$ 3,267,415	\$ 65,976,139
Tobacco Products Tax Fund ³	\$ 4,900,402	\$ 98,828,713
Wine Promotional Fund	\$ 4,688	\$ 20,981
Drug Treatment & Education Fund	\$ 742,296	\$ 4,953,798
Corrections Rev. Fund	\$ 296,811	\$ 1,970,894

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Estate Tax

January 2007	\$ 2,716	Fiscal Year to Date	\$ (949,957)
January 2006	\$ 514,090	Fiscal Year to Date	\$ 10,890,673
% change	N/A	% Change	N/A

Bingo

January 2007	\$ 69,801	Fiscal Year to Date	\$ 373,341
January 2006	\$ 77,942	Fiscal Year to Date	\$ 370,665
% change	(10.4)	% Change	0.7

Unclaimed Property

January 2007	\$ 1,314,152	Fiscal Year to Date	\$ 60,976,013
January 2006	\$ 1,829,755	Fiscal Year to Date	\$ 41,546,742
% change	(28.2)	% Change	46.8

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

² Formerly the Health Care Fund

³ This Fund was created by Prop. 303, which increased cigarette & other tobacco products tax rates in November 2002.

TABLE 1
"New" Returns Filed in 2007 for Tax Year 2006
Through January 2007

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	35	0.1%	-\$7,356	\$0	20.0%	54.3%	25.7%	0.0%	8.6%	34.3%
\$0-\$5,000	5,967	14.8%	\$3,160	\$0	4.2%	62.4%	33.2%	0.2%	1.4%	49.1%
\$5,000-\$10,000	9,778	24.2%	\$7,499	\$14	5.1%	53.4%	41.3%	0.2%	1.5%	55.9%
\$10,000-\$15,000	7,275	18.0%	\$12,339	\$40	9.8%	32.2%	57.8%	0.3%	1.6%	72.0%
\$15,000-\$20,000	5,630	13.9%	\$17,424	\$84	16.2%	23.8%	59.7%	0.3%	1.8%	75.7%
\$20,000-\$25,000	3,964	9.8%	\$22,361	\$179	21.8%	24.6%	53.0%	0.6%	1.4%	74.7%
\$25,000-\$30,000	2,320	5.7%	\$27,359	\$299	25.0%	29.7%	44.9%	0.5%	1.4%	69.6%
\$30,000-\$40,000	2,549	6.3%	\$34,359	\$452	29.6%	30.0%	39.5%	0.9%	1.2%	66.5%
\$40,000-\$50,000	1,197	3.0%	\$44,335	\$659	37.9%	29.6%	31.9%	0.7%	1.6%	65.1%
\$50,000-\$75,000	1,223	3.0%	\$60,165	\$1,001	61.4%	20.7%	17.1%	0.7%	1.6%	65.7%
\$75,000-\$100,000	293	0.7%	\$84,532	\$1,524	76.9%	15.9%	7.1%	0.0%	2.0%	70.5%
\$100,000-\$200,000	127	0.3%	\$121,019	\$2,518	82.7%	9.4%	7.9%	0.0%	0.8%	64.6%
\$200,000-\$500,000	7	0.0%	\$243,385	\$6,921	85.7%	14.3%	0.0%	0.0%	28.6%	42.9%
\$500,000-\$1,000,000	0	0.0%	\$0	\$0	0	0	0	0	0	0
\$1,000,000 and over	0	0.0%	\$0	\$0	0	0	0	0	0	0
Total	40,365		\$17,044	\$156	13.2%	33.8%	39.5%	0.3%	1.5%	64.5%

*An asterisked line indicates that the information cannot be released due to confidentiality laws.

NEW RETURNS FILED IN 2006 FOR TAX YEAR 2005

Total	280,854	\$23,532	\$423	16.9%	48.9%	15.7%	1.5%	7.2%	33.9%
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"NEW" Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
January 2007

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Surprise	\$835,128	88,265
Eagar	\$41,962	4,435	Tempe	\$1,568,695	165,796
St. Johns	\$36,569	3,865	Tolleson	\$61,481	6,498
Springerville	\$19,538	2,065	Wickenburg	\$57,498	6,077
<u>Cochise County</u>			Youngtown	\$58,311	6,163
Benson	\$44,848	4,740	<u>Mohave County</u>		
Bisbee	\$62,163	6,570	Bullhead City	\$361,528	38,210
Douglas	\$162,692	17,195	Colorado City	\$38,603	4,080
Huachuca City	\$17,315	1,830	Kingman	\$244,677	25,860
Sierra Vista	\$413,377	43,690	Lake Havasu City	\$505,580	53,435
Tombstone	\$15,233	1,610	<u>Navajo County</u>		
Willcox	\$36,758	3,885	Holbrook	\$51,329	5,425
<u>Coconino County</u>			Pinetop-Lakeside	\$39,408	4,165
Flagstaff	\$578,908	61,185	Show Low	\$93,244	9,885
Fredonia	\$10,502	1,110	Snowflake	\$46,693	4,935
Page	\$67,272	7,110	Taylor	\$38,793	4,100
Williams	\$29,757	3,145	Winslow	\$93,055	9,835
<u>Gila County</u>			<u>Pima County</u>		
Globe	\$70,915	7,495	Marana	\$252,861	26,725
Hayden	\$8,440	892	Oro Valley	\$372,787	39,400
Miami	\$18,497	1,955	Sahuarita	\$132,368	13,990
Payson	\$145,992	15,430	South Tucson	\$53,269	5,630
Star Valley	\$18,980	2,006	Tucson	\$5,012,471	529,770
Winkelman	\$4,191	443	<u>Pinal County</u>		
<u>Graham County</u>			Apache Junction	\$322,357	34,070
Pima	\$19,727	2,085	Casa Grande	\$307,218	32,470
Safford	\$88,561	9,360	Coolidge	\$77,396	8,180
Thatcher	\$43,050	4,550	Eloy	\$105,260	11,125
<u>Greenlee County</u>			Florence	\$194,247	20,530
Clifton	\$24,562	2,596	Kearny	\$21,279	2,249
Duncan	\$7,683	812	Mammoth	\$16,671	1,762
<u>La Paz County</u>			Maricopa	\$100,512	15,934
Parker	\$31,034	3,280	Superior	\$30,788	3,254
Quartzsite	\$34,062	3,600	<u>Santa Cruz County</u>		
<u>Maricopa County</u>			Nogales	\$206,547	21,830
Avondale	\$656,219	69,356	Patagonia	\$8,705	920
Buckeye	\$240,381	25,406	<u>Yavapai County</u>		
Carefree	\$34,857	3,684	Camp Verde	\$101,523	10,730
Cave Creek	\$45,094	4,766	Chino Valley	\$116,614	12,325
Chandler	\$2,184,163	230,845	Clarkdale	\$34,819	3,680
El Mirage	\$303,348	32,061	Cottonwood	\$102,753	10,860
Fountain Hills	\$231,733	24,492	Dewey-Humboldt	\$38,130	4,030
Gila Bend	\$18,734	1,980	Jerome	\$3,122	330
Gilbert	\$1,644,416	173,799	Prescott	\$385,749	40,770
Glendale	\$2,293,198	242,369	Prescott Valley	\$317,673	33,575
Goodyear	\$437,249	46,213	Sedona	\$103,463	10,935
Guadalupe	\$52,559	5,555	<u>Yuma County</u>		
Litchfield Park	\$42,842	4,528	San Luis	\$216,954	22,930
Mesa	\$4,239,704	448,096	Somerton	\$92,251	9,750
Paradise Valley	\$131,166	13,863	Wellton	\$18,639	1,970
Peoria	\$1,307,053	138,143	Yuma	\$839,953	88,775
Phoenix	\$13,963,748	1,475,834			
Queen Creek	\$155,303	16,414			
Scottsdale	\$2,221,129	234,752	TOTAL	\$45,935,888	4,860,323

TABLE 3
Transaction Privilege and Severance Tax Returned to Cities/Towns
January 2007

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Surprise	\$821,820	88,265
Eagar	\$41,294	4,435	Tempe	\$1,543,698	165,796
Springerville	\$19,227	2,065	Tolleson	\$60,502	6,498
St. Johns	\$35,986	3,865	Wickenburg	\$56,582	6,077
<u>Cochise County</u>			Youngtown	\$57,383	6,163
Benson	\$44,133	4,740	<u>Mohave County</u>		
Bisbee	\$61,172	6,570	Bullhead City	\$355,767	38,210
Douglas	\$160,100	17,195	Colorado City	\$37,988	4,080
Huachuca City	\$17,039	1,830	Kingman	\$240,778	25,860
Sierra Vista	\$406,790	43,690	Lake Havasu City	\$497,524	53,435
Tombstone	\$14,990	1,610	<u>Navajo County</u>		
Willcox	\$36,173	3,885	Holbrook	\$50,511	5,425
<u>Coconino County</u>			Pinetop/Lakeside	\$38,780	4,165
Flagstaff	\$569,683	61,185	Show Low	\$92,038	9,885
Fredonia	\$10,335	1,110	Snowflake	\$45,949	4,935
Page	\$66,200	7,110	Taylor	\$38,174	4,100
Williams	\$29,283	3,145	Winslow	\$91,572	9,835
<u>Gila County</u>			<u>Pima County</u>		
Globe	\$69,785	7,495	Marana	\$248,832	26,725
Hayden	\$8,305	892	Oro Valley	\$366,847	39,400
Miami	\$18,203	1,955	Sahuarita	\$130,258	13,990
Payson	\$143,666	15,430	South Tucson	\$52,420	5,630
Star Valley	\$18,678	2,006	Tucson	\$4,932,597	529,770
Winkelman	\$4,125	443	<u>Pinal County</u>		
<u>Graham County</u>			Apache Junction	\$317,220	34,070
Pima	\$20,316	2,182	Casa Grande	\$302,323	32,470
Safford	\$87,149	9,360	Coolidge	\$76,163	8,180
Thatcher	\$42,364	4,550	Eloy	\$103,583	11,125
<u>Greenlee County</u>			Florence	\$191,151	20,530
Clifton	\$24,171	2,596	Kearny	\$20,940	2,249
Duncan	\$7,560	812	Mammoth	\$16,406	1,762
<u>La Paz County</u>			Maricopa	\$148,359	15,934
Parker	\$30,540	3,280	Superior	\$30,297	3,254
Quartzsite	\$33,519	3,600	<u>Santa Cruz County</u>		
<u>Maricopa County</u>			Nogales	\$203,255	21,830
Avondale	\$645,762	69,356	Patagonia	\$8,566	920
Buckeye	\$236,551	25,406	<u>Yavapai County</u>		
Carefree	\$34,301	3,684	Camp Verde	\$99,905	10,730
Cave Creek	\$44,375	4,766	Chino Valley	\$114,756	12,325
Chandler	\$2,149,358	230,845	Clarkdale	\$34,264	3,680
El Mirage	\$298,514	32,061	Cottonwood	\$101,116	10,860
Fountain Hills	\$228,041	24,492	Dewey-Humboldt	\$37,523	4,030
Gila Bend	\$18,435	1,980	Jerome	\$3,073	330
Gilbert	\$1,618,213	173,799	Prescott	\$379,602	40,770
Glendale	\$2,256,656	242,369	Prescott Valley	\$312,611	33,575
Goodyear	\$430,281	46,213	Sedona	\$101,814	10,935
Guadalupe	\$51,722	5,555	<u>Yuma County</u>		
Litchfield Park	\$42,159	4,528	San Luis	\$213,497	22,930
Mesa	\$4,172,145	448,096	Somerton	\$90,781	9,750
Paradise Valley	\$129,076	13,863	Wellton	\$18,342	1,970
Peoria	\$1,286,226	138,143	Yuma	\$826,569	88,775
Phoenix	\$13,741,237	1,475,834			
Queen Creek	\$152,828	16,414			
Scottsdale	\$2,185,736	234,752	TOTAL	\$45,254,535	4,860,420